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五礦資源有限公司
MINMETALS RESOURCES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 1208)

MEDIA RELEASE

The board of directors (the “**Board**”) of Minmetals Resources Limited (the “**Company**”) is pleased to provide the Media Release of the Company.

Details are included in the attached announcement.

By order of the Board
Minmetals Resources Limited
Andrew Gordon Michelmores
CEO and Executive Director

Hong Kong, 28 March 2011

As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which four are executive directors, namely Mr. Hao Chuanfu (Vice Chairman), Mr. Andrew Gordon Michelmores, Mr. David Mark Lamont and Mr. Li Liangang; four are non-executive directors, namely Mr. Li Fuli (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Wang Lixin; and three are independent non-executive directors, namely Mr. Ting Leung Huel, Stephen, Mr. Loong Ping Kwan and Dr. Peter William Cassidy.



28 MARCH 2011

Media release:

Bigger, stronger, and ready to grow following strong 2010 performance

Minmetals Resources Ltd (HK: 1208) (**MMR**) today released its financial results for the year ended 31 December 2010. The results include the full-year performance of Minerals and Metals Group (**MMG**), which the Company acquired at the end of the year.

MMR also announced that its Chairman, Mr. Li Fuli, will retire from the Board with effect from 1 April 2011 and will be replaced as Chairman by Mr. Wang Lixin. Mr. Gao Xiaoyu will join the Board as a Non-Executive Director upon Mr. Li's retirement. Additional details about this matter are provided below.

KEY POINTS

- > Net Profit after Tax of US\$430.4 million; includes acquisition of MMG in 2010
- > Fully-diluted earnings per share up strongly to US\$0.09
- > Strong free cash flow generation
- > Strategic objective of becoming a substantial international, diversified, upstream base metals company well on track
- > Trading and Fabrication assets and investments reclassified as non-core and will be divested during 2011
- > Capital likely to be raised under the Specific Mandate (subject to market conditions), but strong profit and cash generation make it likely that less than the previously indicated US\$1.6 billion will be raised

Chief Executive Officer Andrew Michelmore commented on the positive results. "MMR has generated Net Profit after Tax of US\$430.4 million, which is a very strong result, reflecting good production levels, effective cost management and the current healthy commodity price environment. While it is not appropriate to make too many absolute comparisons to prior years because of the inclusion of MMG in these results, it is of note that fully-diluted earnings per share for MMR in 2010 increased by 46.3% to US\$0.09."

Mr Michelmore continued "We have clearly stated our strategic objective of becoming a substantial international, diversified, upstream base metals company, and the acquisition of MMG by MMR was the first important step in the pursuit of this objective."

"Further, MMR announced that it intends to divest its Trading and Fabrication assets and investments at fair market value, over the course of 2011. This will enable MMR to focus on growing as an upstream base metals company."

Mr Michelmore added, "The Company has previously indicated it may seek to raise up to US\$1.6 billion in new capital by 31 July 2011 under the Specific Mandate authorised by shareholders to repay debt incurred to finance the acquisition of MMG and for other growth purposes."

"The Company intends to exercise the mandate granted by shareholders, but the strong cash and profit generation we have reported today, along with the expected proceeds to be received from the sale of non-core assets, means that it is unlikely we will look to raise the full amount. A final decision on the timing and size of any capital raising will depend on market conditions."

The following table summarises MMR's results for 2010.

(US\$ million)	2010	Continuing businesses	Non-continuing businesses	Unallocated (VSA costs)
Revenue	3,582.1	1,919.9	1,662.2	-
EBITDA (1)	878.5	904.3	60.6	(86.4)
EBIT (2)	560.0	604.8	41.6	(86.4)
Net interest expense	(40.9)	(38.6)	(2.3)	-
Equity-accounted profits	41.0	-	41.0	-
Profit before tax	560.1	566.2	80.3	(86.4)
Income tax expense	(129.7)	(125.7)	(4.0)	-
Net profit after tax	430.4	440.5	76.3	(86.4)
Minority interests	(21.0)	(21.0)	-	-
Net profit after tax attributable to members of the Company	409.4	419.5	76.3	(86.4)
Earnings per share (US cents):				
> Nominal	13.8			
> Fully-diluted	9.0			

(1) Earnings Before Interest, Tax, Depreciation and Amortisation

(2) Earnings before Interest and Tax

The acquisition of MMG has substantially increased the Company's profitability, as is highlighted in the following table of segmental performance. NB: the following excluded all costs associated with the VSA.

(US\$ million)	Revenue	EBITDA
MMR pre-acquisition	1,662.2	60.6
Century	711.4	356.2
Sepon	596.7	358.6
Golden Grove	391.3	192.4
Rosebery	220.5	104.5
Other Operations	-	(107.4)
MMG assets	1,919.9	904.3

"A key feature of today's results is the strength of the cash flow generated by MMR. After funding capital expenditure of US\$323.2 million and exploration expenditure of US\$50.9 million, the Company's performance in 2010 yielded free cash flow of US\$496.3 million," said Mr Michelmore.

This is outlined in the following table.

(US\$ million)	2010
EBITDA from operations:	
Continuing operations	853.4
Non-continuing	60.6
	914.0
Exploration expenditure	(50.9)
Other items	15.4
	878.5
Net interest paid and tax	(114.9)
Capital expenditure	(323.2)
Changes in working capital and other	55.9
Free cash flow	496.3
Net investments	(108.1)
Asset sales & divestments	3.7
Operating and investing cash flow	391.9

Andrew Michelmore noted, "Importantly, the excellent result from the MMG assets was achieved while maintaining our commitment to the highest standards of health, safety and environmental management."

MMG recorded significant improvements in its key measures of workplace safety, with the Total Recordable Injury Frequency Rate (which measures the number of recordable injuries per million man-hours worked) fell from 6.3 in 2009 to 4.7 in 2010.

"We are pleased with the improvement in this key indicator of workplace safety, but further improvements are possible, and we will work hard to make 2011 a year of further improvement," he added.

MMR's Balance Sheet as at 31 December 2010, which is summarised in the following table, is still relatively highly geared following the acquisition of MMG. Subject to market conditions, the Company intends to exercise a portion of the Specific Mandate granted by shareholders to raise capital to repay inter-company debt, reduce gearing and for other corporate purposes.

(US\$ million)	
Cash	398.2
Property, plant & equipment	1,671.5
Working capital	380.1
Other assets	499.4
	<hr/>
	2,949.2
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Gross borrowings: external	1,227.5
Gross borrowings: internal	696.7
Other liabilities	491.6
	<hr/>
	2,415.8
	<hr/>
Net assets	533.4

The Company has not declared a dividend for 2010.

"MMR's strategy is to grow as an international, diversified, upstream base metals company", said Andrew Michelmore. "We are committed to creating value for our shareholders, and we will be single-minded in our pursuit of that objective.

"The results we have released today, combined with our recently-released Production Report and Resources and Reserves Statement, demonstrate that our existing mines provide a very sound operating base, which we plan to expand on in future years by delivering on the potential of our development projects."

"MMR is demonstrably a bigger and stronger company. It has the vision, the will and the management expertise to execute its strategy, and with the capacity to strengthen its balance sheet, it is ready to grow."

Retirement of Chairman

Mr Li Fuli has announced that he will retire from the Board with effect from 1 April 2011. Mr Li oversaw the acquisition of the MMG assets and the beginning of the transformation of MMR into an international, diversified, upstream base metals company. Mr Li will continue as Vice President of China Minmetals Corporation and will continue with his other Board appointments.

Mr Wang Lixin, who will become Chairman of the Company as from 1 April 2011, has been a Director of MMR since 2005. He was also a Non-Executive Director of MMG Management and was President of CMN between 2007 and 2009.

Mr Gao Xiaoyu will join the Board of MMR upon Mr Li's retirement as a Non-Executive Director. Mr Gao is a senior executive in the China Minmetals group of companies and holds a master's degree in Business Management from the Renmin University of China. Mr Gao has extensive experience in enterprise risk management and control. A copy of the 2010 Minmetals Resources Annual Report can be downloaded from www.minmetalsresources.com

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